

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 15, 2011
POSITION: Neutral

BILL NUMBER: AB 396
AUTHOR: H. Mitchell
RELATED BILLS: SB 1091 (Hancock)

BILL SUMMARY: Medi-Cal: Juvenile Detention Facilities

This bill would require the Department of Health Care Services (DHCS) to develop a process to allow counties to receive any available federal financial participation (FFP) for health care services provided to juvenile detainees who are admitted as inpatients in a medical institution. The bill would require DHCS to consult with counties in the development of this process, and would require DHCS to seek any federal approvals necessary to implement the process. This would be a voluntary program where counties may elect to participate and provide the nonfederal share of expenditures for health care services. This bill would only be implemented if all the federal approvals are obtained, and only to the extent that existing levels of federal financial participation are not otherwise jeopardized.

FISCAL SUMMARY

This bill would not have a General Fund impact because participating counties would be required to fund the non-federal share of administrative costs and the non-federal share of direct health care services. DHCS has indicated that at least 1.0 full-time Associate Governmental Program Analyst would be needed to implement and administer the requirements of this bill, which would cost approximately \$100,000 total funds annually. Resource needs would be evaluated in the annual budget process. Because health care services provided to juvenile detainees are currently funded solely with state or county funds, this bill could result in savings for the state and counties.

SUMMARY OF CHANGES

This bill has been amended since our analysis of the May 12, 2011 version to specify that participating counties would be responsible for paying their share of state administrative costs.

COMMENTS

The Department of Finance is neutral on this bill because this bill would require DHCS develop a process that would allow the state and counties to receive FFP for health care services provided to juvenile detainees who are admitted as inpatients in a medical institution.

Specifically, this bill would:

- Require DHCS, in consultation with counties, to develop a process to allow counties and CDCR to receive FFP for health care services provided to juvenile detainees who are admitted as inpatients in a medical institution.
- Permit DHCS to exempt juvenile detainees from enrollment into new or existing managed care health plans.
- Require participating counties to reimburse for any costs disallowed by the federal government.
- Require participating counties to annually negotiate and pay their share of state administrative costs.

Analyst/Principal	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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AUTHOR

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Section 1905(a) of the Social Security Act (the Act) authorizes State Medicaid agencies to provide medical services to eligible Medicaid beneficiaries. However, subparagraph (A) of section 1905(a) of the Act specifically excludes federal funding for care or services provided to inmates of a public institution, except when inmates are patients in a medical institution. DHCS advises that the state can claim federal funds for Medi-Cal covered inpatient hospital services provided to eligible incarcerated juveniles as long as the services are provided off the grounds of the correctional institution. Federal rules make no distinction between adults and juveniles on this issue and this effort appears to be similar to efforts made by the state prison system to claim federal funds for health services provided to state inmates under the same circumstances.

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department		LA	(Dollars in Thousands)							
Agency or Revenue		CO	PROP							
Type		RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Fund Code
4260/Hlth Care		SO	No	C	\$50	C	\$50	C	\$50	0995
4260/Hlth Care		SO	No	C	\$50	C	\$50	C	\$50	0890
<u>Fund Code</u>	<u>Title</u>									
0890	Trust Fund, Federal									
0995	Reimbursements									